



DRAFT
Virginia Aviation Board
Dinner Workshop
OCTOBER 21, 2003

MINUTES OF THE VIRGINIA AVIATION BOARD WORKSHOP MEETING – OCTOBER 21, 2003, 6:00 P.M.
AT THE 2300 CLUB, 2218 GRACE STREET, RICHMOND, VIRGINIA 23219

MEMBERS PRESENT

Roger L. Oberndorf, Chairman
John G. Dankos, Jr.
Bob L. Johnson
Robert H. Neitz
Marianne M. Radcliff
Dr. Alan L. Wagner
Emmitt F. Yeary

OTHERS PRESENT

Department of Aviation staff, FAA staff

Chairman Oberndorf called the meeting to order.

The Chairman called on Charles Macfarlane to update the Board on the budget and some other issues. Mr. Macfarlane informed the Board that the Department was currently submitting Technical Amendments to the budget package for the 2004-06 biennium that would increase the woefully inadequate budget bases to ones that were more in keeping with the actual funding needs for each program.

He briefed the Board on the status of the Memorandum of Understanding (MOU) between DOAV and the Department of Taxation. That MOU has been executed and collections will move forward based on these provisions. DOAV is waiting for reports from Taxation indicating the amounts taken since March 2003. DOAV has advertised for a Compliance/Security Officer who will be responsible for implementing the provisions of the MOU. The Department will need to negotiate a contract with GCR, or some other successful bidder, to implement the software that the Board was briefed on at the Workshop to track aircraft during the year for licensing purposes.

The DOAV is contemplating a low-fare carrier incentive program in an attempt to attract low fare service to those communities that are not currently served such as Charlottesville, Lynchburg, Richmond, Roanoke, and Shenandoah Valley. The idea is to allocate annually those revenues over budgeted expenditures and place it in a fund that will grow each year. At such time as the fund is large enough to attract a carrier, it can be a winner-take-all proposition based on a guarantee of low fare service for a fixed time frame. After the period has expired, it is hoped that the service will be paid for entirely by the fares and the carrier will be able to operate without public funding.

The proposed 2004-06 budgets will also include a provision for an aircraft replacement “sinking” fund. Over the biennium, it should address aircraft systems upgrades and also take the politics out of the decision-making process. It is a systematic approach to aircraft asset replacement and matches the need for making annual contributions to address depreciation and technical obsolescence with the availability of funds when revenues exceed budgeted expenditures.

With no further business the meeting was adjourned.